



**For Immediate Release**

**December 14, 2007**

**Senator Gregg Applauds Senate Passage of  
Mortgage Forgiveness Legislation**

Senator Judd Gregg, ranking member of the Senate Budget Committee, today applauded the Senate passage, by unanimous consent, of legislation that will help millions of American homeowners hurt by the downturn in the housing market.

Senator Gregg had originally offered the proposal as an amendment to the 2007 Farm Bill, but due to the urgent nature of the issue, he worked with Senate Finance Committee Chairman Baucus to pass it as a free-standing bill rather than be included in the Farm Bill, which is not expected to be signed into law until early next year. Senator Gregg's legislation is expected to be approved by the House and signed into law by year's end.

"I am pleased that my colleagues have agreed to help the hundreds of thousands of American homeowners who are faced with the traumatic experience of losing their homes," said Senator Gregg. "The crisis in the housing market is hurting millions of homeowners, and foreclosures are rising dramatically. After months of legal negotiations with their lenders to avoid foreclosure, these homeowners should be assured they will not receive an additional tax bill from the IRS."

As home prices and home sales have dropped precipitously across the country, more than 600,000 U.S. homes are currently in foreclosure and more than 3 million Americans are currently behind on their mortgage payments. Senator Gregg's legislation, which is co-sponsored by Senators John Sununu (R-NH), Wayne Allard (R-CO), Arlen Specter (R-PA) and Norm Coleman (R-MN), encourages individuals and their lenders to negotiate a solution to avoid additional foreclosures by offering temporary tax relief.

The Gregg legislation permits any homeowner who obtained a mortgage before January 1, 2007 to receive mortgage forgiveness from their lender, tax free. The bill covers restructured mortgage agreements entered into after January 1, 2007 and before December 31, 2009. The tax forgiveness is available on mortgage indebtedness of up to \$1 million.